

**MEDIA RELEASE**



**Attention: News Director  
For Immediate Release  
December 6, 2006**

**U.S. DEPARTMENT OF JUSTICE  
DAVID L. HUBER  
UNITED STATES ATTORNEY  
Western District of Kentucky**

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**LOGAN COUNTY DRUG DEALER SENTENCED ON  
TAX AND DRUG CHARGES**

***- Failed to report over \$714,000 of income***

David L. Huber, United States Attorney for the Western District of Kentucky, announced today that **JAMES MICHAEL CHESTNUT**, age 39, of 212 Tenth Fairway, Russellville, Kentucky, in Logan County, **was sentenced** in United States District Court, Bowling Green, Kentucky, for filing false tax returns, conspiracy, and possession with intent to sell cocaine and marijuana.

Thomas B. Russell, Judge, United States District Court, sentenced **Chestnut** to five years imprisonment, plus five years supervised release following incarceration. Chestnut also agreed to forfeit \$50,000 cash. **There is no parole in the federal judicial system.**

**Chestnut** pled guilty and admitted the following: that on or about August 16, 1999, August 15, 2000, and August 15, 2001, he willfully filed income tax returns and failed to report his receipt of approximately \$419,944.00, \$63,679.00, and \$231,016.00 in calendar years 1998 - 2000, respectively, in income from various sources, including monies received from selling marijuana and cocaine.

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In each of the three tax fraud counts contained in the Indictment, the defendant is charged

with failing to report significant amounts of earnings on his personal tax returns for the years in question. The amounts of unreported income was derived from an examination by the IRS of various records related to the defendant's financial activity during pertinent years, including bank account records, records of real estate transactions, bank loans, and records from the defendant's brokerage accounts. From the IRS's examination of these records, it was determined that the defendant's income during the years in question substantially exceeded the amounts reported on the defendant's 1998, 1999, and 2000 federal income tax returns.

Chestnut further pled guilty to knowingly and intentionally possessing and distributing approximately 793.9 grams of marijuana on June 1 and November 9, 2001, in Warren County, worth approximately \$4,200.00 on the street; and on July 13, 2001, in Warren County, and on July 24, 2001, in Simpson County, knowingly and intentionally possessing and distributing approximately 54.96 grams of cocaine, worth approximately \$5,500.00 on the street.

The case was prosecuted by Assistant United States Attorney Laura L. Hall and James R. Lesousky, Jr. and it was investigated by the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Internal Revenue Service, the Drug Enforcement Administration, the Kentucky State Police, and the Bowling Green Warren County Drug Task Force.

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